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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 6th August, 1970:—

BILL No. 77 OF 1970

A Bill further to amend the Agricultural Produce Cess Act, 1940.

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Agricultural Produce Cess (Amendment) Act, 1970.

Amendment of section 2.

47 of 1940.

2. In section 2 of the Agricultural Produce Cess Act, 1940 (hereinafter referred to as the principal Act), for clause (*a*), the following clause shall be substituted, namely:—

'(*a*) "Collector" means a Collector of Customs as defined in clause (8) of section 2 of the Customs Act, 1962, and'.

52 of 1962.

Amendment of section 5.

3. In section 5 of the principal Act, for the words "The Central Board of Revenue", the words and figures "The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963" shall be substituted.

54 of 1963.

4. After section 5 of the principal Act, the following sections shall be inserted, namely:— Insertion of new sections 5A and 5B.

52 of 1962. **"5A. The provisions of the Customs Act, 1962, and the rules and regulations made thereunder, including those relating to refunds and exemptions from duty, shall so far as may be, apply in relation to the levy and collection of customs duty on all articles included in the Schedule as they apply in relation to the levy and collection of duty payable to the Central Government under that Act.** Certain provisions of the Customs Act, 1962 to apply.

5B. (*1*) Whoever— Penalties.

(*a*) evades the payment of any customs duty under this Act, or

(*b*) fails to furnish any information which it is his duty to furnish or furnishes information which is false in material particulars or which he does not believe to be true, or

(*c*) obstructs the Collector or any other officer in the performance of his duties under this Act or any rules made thereunder,

shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

(*2*) Any court trying an offence under this Act may direct that any article specified in the Schedule in respect of which it is satisfied that an offence punishable under this Act has been committed shall be forfeited to the Central Government and may also direct that all packages, coverings or receptacles in which such article is contained and every vessel or other conveyance used in carrying such article shall be forfeited to the Central Government.".

5. In sub-section (*1*) of section 7 of the principal Act, for the words "the representatives of the Central Legislature", the words "the Members of Parliament" shall be substituted. Amendment of Section 7.

6. In section 9 of the principal Act, for sub-section (*3*), the following sub-section shall be substituted, namely:— Amendment of Section 9

"(*3*) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

7. In the Schedule to the principal Act, for item 21, the following item shall be substituted, namely:— Amendment of the Schedule.

"21. Sheep's or lamb's wool and animal hair, whether or not scoured or carded.".

STATEMENT OF OBJECTS AND REASONS

The Agricultural Produce Cess Act, 1940 provides for imposition of cess at the rate of one-half of one per cent. *ad valorem* on all articles included in the Schedule to this Act which are exported from India. There is no specific provision in this Act for the levy of penalty in cases where the exporters attempt to evade payment of the cess.

2. In the recent past with a view to achieve simplification in the matter of collection of the cess, it has been decided that in cases where the cess payable is only up to Rs. 100 in each case the exporters may be permitted to affix customs revenue stamps equivalent to the cess payable on the basis of their self assessments of the value of the cargo. The correctness of the stamps affixed will be verified with reference to the Customs House record afterwards and short recovery, if any, claimed.

3. Further, the Agricultural Produce Cess is in the nature of a customs duty which is collected by the customs collectors. These customs collectors have been exercising various powers vested in them under the Customs Act, 1962, in the collection of the cess also. In order to discourage evasion of tax and misdeclaration of value of the cargo and short payment of cess, it is proposed that the provisions of the Customs Act, 1962 and the rules and regulations made thereunder should be applicable to the levy and collections of the cess.

4. Opportunity has also been taken to carry out certain other amendments of clarificatory or consequential nature.

NEW DELHI;
The 27th July, 1970.

FAKHRUDDIN ALI AHMED.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 26(6)/68-Budget, dated the 21st July, 1970 from Shri Fakhruddin Ali Ahmed, Minister of Food and Agriculture to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the Agricultural Produce Cess (Amendment) Bill, 1970 recommends the introduction and consideration of the Bill in the Lok Sabha under article 117(1) and 117(3) of the Constitution of India.

FINANCIAL MEMORANDUM

The Agricultural Produce Cess Act, 1940 provides for the levy and collection of cess in the nature of a duty of customs in respect of the articles included in the Schedule to the Act. The collections including recoveries of penalties made through the existing revenue collection organisations are to be credited to the Consolidated Fund of India in the first instance. Thereafter, the entire net proceeds (gross collections less refunds) reduced by the cost of collection as determined by the Government of India are paid to the I.C.A.R. to meet the expenditure of the various activities undertaken by it.

2. Recovery of the cess including recoveries of short payments and the refunds thereof are already being made by the various Collectors of Customs under the powers vested in them in pursuance of the provisions of the Customs Act, 1962, and on this account cost of collection equivalent to 2 per cent of the gross collections is charged by the Ministry of Finance. Under Clause 4 of the Bill, the new Section 5A proposed to be inserted in the Act makes the provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to refunds and exemptions from duty, applicable in relation to the levy and collection of Customs Duty on all articles included in the Schedule. It is not possible to estimate the exact amount of additional expenditure that may have to be incurred in the shape of collection charges etc. No non-recurring expenditure from the Consolidated Fund of India is involved or anticipated.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Section 6(3) of the Agricultural Produce Cess Act, 1940 empowers the Central Government to make rules regulating the expenditure of money out of the cess paid to the Council under the Act. Further the Central Board of Revenue (now the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act 1963) has been empowered under section 5 of the Act to make rules, providing on such conditions as may be specified in the rules, regarding refund of, and exemption from, Cess. The matters in respect of which rules may be made relate to procedure and details. Therefore, the delegation of legislative power is of a normal character.

S. L. SHAKDHER,

Secretary

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